

Homeowner Options

List provided by BCL of Texas

Option	How Does the Option Work?	Key Benefits
Repayment Plan	Distributes your delinquent payments over a period of time, usually no more than 10 months. A portion of the deferred delinquent amount is added to the normal monthly mortgage payment.	<ul style="list-style-type: none"> » Brings your account up to date within a specified time-frame. » With a goal in sight, you can move forward knowing that your mortgage loan is secure.
Loan Modification	A permanent change in one or more of the terms of the mortgage loan, allowing the loan to be reinstated to a "current" status, and resulting in a more affordable monthly mortgage loan payment. Past due interest and escrow are added to the new unpaid principal balance and re-amortized over the remaining life of the loan.	<ul style="list-style-type: none"> » Changes the mortgage note itself, giving you a "fresh" start on managing your mortgage loan. » Brings your account up to date immediately once the loan modification is executed.
Partial Claim (only for FHA loans)	A second mortgage, interest free, that is paid off at the time when the homeowner's loan is paid off. This option allows up to 12 months of past due accrued mortgage payments to be included in the second mortgage. Available only on FHA loans.	<ul style="list-style-type: none"> » HUD loan is interest-free. » Brings your account up to date immediately.
Short Sale	Allows you to sell your home and use the proceeds to pay off the mortgage if you are unable to maintain payments, even if the home's market value is less than the total amount owed.	<ul style="list-style-type: none"> » Avoids the lengthy legal process involved in foreclosure. » Typically less damaging to your credit rating than foreclosure.
Deed in Lieu of Foreclosure	Allows you to voluntarily transfer legal ownership of your property to your investor if you are unable to maintain mortgage payments and cannot sell the home at current market value.	<ul style="list-style-type: none"> » Avoids the lengthy legal process involved in foreclosure. » May be less damaging to your credit rating than foreclosure.
Fannie Mae Home HomeSaver Advance™ (FNMA Only)	A low interest rate loan provided by the first lien loan servicer to bring current a customer's delinquent first lien loan. The loan repaid over a 15 year term, with payment and interest accrual deferral during the first 6 months after the advance. Available only on most Fannie Mae loans.	<ul style="list-style-type: none"> » Brings your account up to date immediately. » Second mortgage is secured at a low interest rate.

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<p>Home Affordable Modification Program (HMP)</p>	<p>Goal of HMP: Help the most at-risk borrowers in default and those that are at risk of imminent default stay in their homes through a modification process to establish an affordable monthly housing payment. The goal is to reach a monthly housing payment (which includes capitalized past due payments, principal, interest, taxes, insurance and HOA/condo fees) that is no more than 31% of the borrower(s) total monthly gross household income. How HMP Works: Participating servicers and investors will work with eligible qualified borrowers to reach a more affordable mortgage payment through extending the term of the loan, lowering the interest rate, capitalizing delinquent mortgage payments, and/or forbearing principal. All outstanding late fees are waived. Eligible Borrowers: Borrowers that are past due on first mortgage or are in imminent default, can be in foreclosure, own and occupy the property, and the property is a single family residence (1 -4 unit property, one unit of which is the borrower's principle residence). Cooperative share mortgages and mortgage loans secured by condominiums and manufactured homes are eligible for HMP. First mortgages are only eligible for this program. The program will sunset on December 31, 2012, and first mortgage loans must have been originated prior to January 1, 2009. Borrower(s) may only modify one (1) time under the HMP program.</p> <p>LTV: N/A to HMP qualification process. Mandatory Escrow: Escrows for real estate taxes and homeowners' insurance must be set up under this program if they are not currently escrowed. 3 - 4 Month Trial Modification Requirement: For modification to be complete, if borrower is delinquent prior to modification, they must make 3 payments within 90 days at the new modified payment level and be current at day 90. If the borrower is current at the time of modification, the borrower must make 4 payments within 120 days at the new modified payment level and be current at 120 days. Borrower Incentive: Borrower(s) are eligible to receive: Pay-for-Performance Success that goes towards reducing principal of \$1,000 each year for (5) five years if they stay current on their mortgage loan. Counseling Requirement: If the borrower has a back-end ratio (borrower total monthly debt ratio) equal to or greater than 55%, HUD approved housing counseling is required. Servicers are required to send a letter to applicable borrowers regarding the counseling requirement. The borrower must acknowledge in writing that s(he) will obtain such counseling at HUD-approved housing counseling agencies.</p>	<p>» Changes the mortgage note itself, giving you a "fresh" start on managing your mortgage loan. Brings your account up to date immediately once the loan modification is executed</p>